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## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Michael J. Hasday

Serial No.: 10/634,053

Group Art Unit: 3713

Filed: August 4, 2003

Examiner: Kim T. Nguyen

For: FREE MARKET PLAYOFF SYSTEM  
AND METHODS THEREOF

Confirmation No.: 5522

Atty. Docket No.: Hasday-1  
(Y1520-00001)Mail Stop AF  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450**PRE-APPEAL BRIEF REQUEST FOR REVIEW**

Applicant requests review of the present rejection of Claims 1-13 and 38-53 in the above-identified patent application. This request is made after certain of these claims have been at least twice rejected and is therefore proper. This request is accompanied by a notice of appeal and no amendments are being filed herewith.

Claims 1-13 and 38-53 stand rejected under 35 U.S.C. §101 as allegedly directed to non-statutory subject matter with the examiner stating that the claims are "a collection of abstract ideas" with "no physical transformation" and "are not useful, concrete and tangible." (See Office Action of March 26, 2006 ("last Office Action"), pg. 2, para. 1.)

The pending claims recite an improved method for pairing teams or players in a competitive event, in which participants (*e.g.*, teams or players) are allowed to select their opponent based on a predetermined ranking of the participants. A competitive event is then held between the two participants, the results recorded, and the winning participant is allowed to go on to a next round of the event, while the losing participant is prevented from playing in any subsequent round(s). The pending claims recite methods that produce a useful, concrete, and

tangible result – that of recording a winning and losing participant, and removing the losing participant from further participation in the competitive event - without pre-empting other uses of any mathematical principle, and thus are directed to statutory subject matter. Applicant submits that this case is appropriate for a pre-appeal brief conference since there are clear legal deficiencies in the pending rejection under 35 U.S.C. § 101.

**Detailed Reasoning For Request**

Independent Claim 1 reads as follows:

A method for determining competitive partners from among a plurality of participants in a selected one of a plurality of rounds in a competitive event wherein selected ones of said participants have an associated ranking, said method comprising the steps of:

selecting a first participant from the plurality of participants; the first participant having a ranking that is higher than the respective rankings of all the remaining participants of the plurality of participants;

allowing said first participant to select a second participant from said remaining participants;

removing said first participant and said second participant from further consideration for said selected round;

repeating said selecting, allowing and removing steps to obtain a plurality of competitive partners;

recording a winning and a losing participant of an engagement for each of said competitive partners in said selected round; and

removing said losing participant of each of said competitive partners from further participation in said competitive event.

Independent Claim 38 is similar to Claim 1 but additionally provides that the participants are organized into two groups prior to the selection process and that the highest ranked participant in the second group initiates the pairing process.

The Federal Circuit has held that a process claim that applies a mathematical algorithm to “produce a useful, concrete, tangible result without pre-empting other uses of the mathematical

principle, on its face comfortably falls within the scope of § 101.” *See AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 1358 (Fed. Cir. 1999).

In addition to the novelty of the competitive partner pairing technique recited by independent claims 1 and 38, the claims clearly provide the useful end result of “recording a winning and a losing participant of an engagement . . . and removing said losing participant . . . from further participation in said competitive event.” This result is useful because it enables the users of the method to conduct a competitive event (or series of competitive events) in a desired way – namely by applying a unique and novel competitive partner pairing technique, conducting an engagement between paired participants, and then eliminating the losing participant from the competitive event. *See AT&T*, 172 F.3d at 1360 (“[I]nquiry focuses on whether [a] mathematical algorithm is applied in a practical manner to achieve a useful result.”).

Furthermore, independent claims 1 and 38 recite a concrete, tangible, and physical result, namely (1) the recordation of a winning and a losing participant and (2) the elimination of losing participants from further participation in the competitive event. Thus, the claims do not represent a mere abstract idea (as alleged by the examiner) or a mathematical algorithm, but rather they recite a novel manner of pairing competitive partners so as to achieve the aforementioned result. And while the Federal Circuit has upheld rejections where the only physical step in the claims concerned data gathering for an algorithm (*see, e.g., In re Grams*, 888 F.2d 835 (Fed. Cir. 1989)), the present claims are readily distinguishable since they recite the *subsequent physical steps* of recording the winning and losing participants and eliminating the losing participant from the competitive event - thus preventing that party from further participation in the event and enabling the event to continue with only the winning participants. This claimed result is no less concrete, tangible or physical than “a final share price momentarily

fixed for recording and reporting purposes,” which was held by the Federal Circuit to meet the 35 U.S.C. §101 standard in *State Street Bank & Trust Co. v. Signature Financial Group*. See 149 F.3d 1368, 1375 (Fed. Cir. 1998).

Finally, the present claims do not pre-empt all uses of the selection principle recited in the claims, but merely those which are used to conduct a competitive event, where winning and losing participants are recorded and the losing participants are eliminated from further participation in the event. See *Arrhythmia Research Tech., Inc. v. Corazonix Corp.*, 858 F.2d 1053, 1059 (Fed. Cir. 1992) (reversing district court’s summary judgment of invalidity under 35 U.S.C. §101, and noting that “applicants ‘do not seek to patent a mathematical formula. . . they seek only to foreclose from others the use of that equation in conjunction with all of the other steps in their claimed process.’”) )

With respect to a “physical transformation,” the claims clearly recite “removing said losing participant of each of said competitive partners from further participation in said competitive event.” (See claims 1 and 38.) Hence, this step in the claims represents the physical action of changing the number of participants in the competitive event leading up to determination of the eventual winner of the event. As such, it constitutes a physical transformation of the event. Moreover, as the Federal Circuit has stated, physical transformation “is not an invariable requirement, but merely one example of how a mathematical algorithm may bring about a useful application.” See *AT&T*, 172 F.3d at 1358 (further noting that the idea that a physical limitation is necessary “reflects a misunderstanding of our case law.”) Thus, the examiner’s requirement that applicant must show some “physical transformation” appears to be misplaced.


Additionally, the last Office Action asserts that "simply selecting teams with no clear result is not statutory." This statement ignores the final element of claims 1 and 38 - "recording a winning and losing participant . . . and removing said losing participant of each of said competitive partners from further participation in said competitive event." Such action constitutes a clear concrete result—namely, removing losing participants from the competitive event so that the event may continue with the winning participants for a given round until an ultimate winner is determined (after multiple rounds).

### Conclusion

For all the foregoing reasons, Applicant requests favorable reconsideration and allowance of this application.

Respectfully submitted,

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